April 17, 1991

To: Board of Directors
From: Cliff Figallo
Subject: More updates

Mitch Kapor met with the bigwigs at Prodigy and described to them how an uncensored adult discussion area might work for them. He used the example of the WELL as a self-regulating forum. They called him back and expressed interest in having some of their people visit the WELL offices next month to find out more about us. I suggested that we might have something of great value that Prodigy might be willing to pay for. Mitch thinks we should not start out asking for money for our experience. I am willing to give them a teaser.

Sequent quoted us a price of $30,000 to upgrade our current machine to a 386-based setup. We are currently running a machine that will eventually be obsolete in terms of parts and service. Upgrading would put us in a machine that could be expanded. For this price we will go from a 12 MIP machine to a 16 MIP machine. Kenton suggests that we don't really need to do the upgrade at this point, but that we do need to expand our disk storage. He suggests that we spend our money on modems, disk and the Internet and do the upgrade when we have to for performance purposes or when Sequent announces that is is dropping support for our B-8 system.

I would like to purchase and install AKCS software on the WELL in order to begin testing it as a possible replacement for Picospan. It seems to have many of the features we need in addition to being tighter code, with support and many customizing features lacking in Picospan. We can port Picospan conference material directly into the AKCS environment. I am dickering over the price for porting AKCS onto our installation for testing.

In February, Kelly Teevan looked at the business plan for Texlink and responded with some questions, concerns and challenges. Texlink, in

turn, responded to these. I have included copies of Kelly's questions and Texlink's replies.

I have also included figures for comparison of the 1990 End of Year numbers for the WELL after final adjustments for uncollectable receivables and a couple of other small items.

The final enclosure is a first attempt at defining the unit cost of the WELL. I defined our product unit as a "port-hour", equal to the number of customer-accessible ports available times the number of possible hours in the fiscal quarter.

Happy reading.

Cliff